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TN REGULATORY AUTHORITY

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

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December 1, 2014

1A-00145

TRA Programs Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Response of the Metropolitan Government of Nashville and Davidson County to
Google Fiber Tennessee, LLC's Application filing for a state-issued Certificate of
Franchise Authority

Dear Tennessee Regulatory Authority,

I am writing in response to Google Fiber Tennessee, LLC's Application for filing for a state-issued Certificate of Franchise Authority sent to the Metropolitan Government of Nashville and Davidson County pursuant to the requirements of the Competitive Cable and Video Services Act.

Enclosed, you will find Section 11 of the Cable Television Franchise Agreement between The Metropolitan Government and Nashville and Davidson County and Comcast of Nashville I, LLC, relating to public, educational, and governmental ("PEG") access channels. Beginning on page 25 you will find information concerning the number of activated and authorized PEG access channels; and, beginning on page 32 you will find information concerning the terms of support payments. Please let me know at your earliest convenience if you need additional information that is not contained in the enclosed documents.

If I can be of further assistance or if you have any additional questions, please call me.

Sincerely,


Theresa Costonis
Assistant Metropolitan Attorney

Enclosures

Cc: Erin Williams, Mayor's Office
Keith Durbin, Director, Information Technology Services

cable franchise holders like Grantee, Metropolitan Government agrees that, notwithstanding any other provision of law, upon Grantee's written request, Metropolitan Government shall enter into good faith negotiations with Grantee to (i) permit Grantee to provide video services to Subscribers in the Franchise Area on terms and conditions that are comparable to those of such VSP under the changed law; (ii) modify this Franchise Agreement to comply with the changed law; or (iii) modify this Franchise Agreement to the extent necessary to promote competitive equity between the Grantee and other VSPs, taking into account the conditions under which other VSPs are permitted to provide cable or video services to subscribers in the Franchise Area or any portion of the Franchise Area and the differences, if any, between Grantee and such other VSP's. Metropolitan Government and the Grantee shall, to the extent required, implement the provisions of this Section 10.3 within ninety (90) days after the Grantee submits a written request to Metropolitan Government, or such longer period as to which the parties may agree. The Grantee may not exercise its rights under this Section sooner than thirty (30) days after the changed law goes into effect.

10.4 Effect on This Franchise Agreement. Any agreement, authorization, right or modification thereof to Grantee's Franchise to provide cable or video services to Subscribers in the Franchise Area or any portion of the Franchise Area that is made under Subsections 10.2 or 10.3 shall, upon adoption by Metropolitan Government and agreement of Grantee, supersede any prior inconsistent provisions of this Franchise Agreement.

10.5 Video Service Provider ("VSP") Defined. For purposes only of this Section 10, the term "Video Service Provider" or "VSP" shall mean (i) a "video service provider" within the meaning of Tenn. Code Ann. § 7-59-303(20) authorized to provide cable or video service in the Franchise Area, or (ii) a cable operator franchised by Metropolitan Government to provide Cable Service in the Franchise Area.

Section 11 - Public, Educational, and Governmental Access

11.1. Channel Positions for Public, Educational, and Governmental Access. Consistent with Section 611 of the Cable Act, Grantee shall provide channel capacity for public, educational and governmental access ("PEG") use as provided in this Section 11.1. Grantee shall continue to

provide channel capacity for a total of four (4) PEG channels. The four (4) PEG channels shall be available on Channel Positions on Grantee's basic service tier. For purposes of this Section 11.1, "Channel Position" means a number designation on the Grantee's channel lineup regardless of the transmission format (analog or digital).

11.1.1 Grantee currently carries the four (4) PEG channels on Channel Positions 3, 9, 10, and 19 on its Cable System. Grantee agrees to use reasonable efforts to keep the four (4) PEG Channel Positions on their current channel number designations throughout the term of this Franchise Agreement, and should any of the PEG Channel Positions be changed from their current number designations during the term of this Franchise Agreement, Grantee agrees to use reasonable efforts to keep the PEG Channel Positions in reasonably close numeric proximity to each other's Channel Positions and Grantee agrees to confer with the Metropolitan Government regarding the allocation of the PEG Channel Positions prior to reassigning any PEG Channel Positions. Grantee shall not change the channel number designation of any PEG Channel Position without first giving Metropolitan Government at least sixty (60) days prior written notice. Subject to the foregoing, Grantee does not relinquish its ownership of or ultimate right of control over a Channel Position by designating it for PEG access use. A PEG access user, whether such user is an individual, educational or governmental user, acquires no property or other interest in the Channel Position by virtue of the use of a Channel Position so designated.

11.1.2 In the event, and on each occasion, that Grantee moves the PEG channel pursuant to Section 11.1.1 hereof, Grantee shall coordinate with the Metropolitan Government and/or its designated PEG management entity to communicate those changes to Subscribers. The Grantee shall designate up to ninety (90) 30-second ad avails in the forty-five (45) days immediately preceding the change in PEG Channel Position, and ninety (90) 30-second ad avails in the forty-five (45) days following the change in PEG Channel position. These ads shall run on a variety of channels and day parts.

11.1.3 Grantee's subscribers shall not be required to obtain any additional

equipment to receive access to any of the PEG Channels offered in standard definition format other than that which is required generally by Grantee's Subscribers to receive the primary, standard definition signals of local television broadcast television stations carried on Grantee's Cable System.

11.1.4 After the Effective Date of this Agreement, should Metropolitan Government produce PEG programming in a high definition format and deliver such programming in a high definition signal to Grantee, the following requirements and obligations shall apply.

11.1.4.1 Metropolitan Government may, with one hundred twenty (120) day prior written notice to Grantee, begin providing PEG programming in high definition format to Grantee for delivery in standard definition format to Subscribers. Such programming shall be converted by Grantee to a standard definition signal before being provided to Subscribers if Grantee provides standard definition broadcast signals as part of the Basic Service Tier. The cost of modifying the existing fiber links as provided for in Section 11.5, herein, to accommodate high definition signals from Metropolitan Government, or converting such high definition programming to standard definition shall be the responsibility of Grantee. Grantee, at its sole discretion, may pass through to Subscribers the cost of modifying such fiber links and converting such high definition programming to standard definition programming.

11.1.4.2 Within sixty (60) days of a written request from Metropolitan Government, Grantee shall replace one (1) existing standard definition PEG Channel with a high definition PEG Channel provided, however, Grantee shall not be required to provide such high definition PEG Channel unless sixty percent (60%) of the video channels offered on the Basic Service Tier are in high definition format. Further, Grantee shall not be required to provide such high definition PEG Channel unless Metropolitan Government is producing a minimum of five (5) hours per day, five (5) days per week of high definition PEG programming on such

PEG Channel, which programming shall be locally produced, non-character generated, programming. An average of 25 hours of week of this programming shall be non-duplicative measured on a monthly basis.

11.1.4.3 Such high definition PEG Channel provided for in Section 11.1.4.2, above, shall be located in as close a proximity as reasonably possible to the local high definition broadcast television signals being carried on Grantee's Cable System. Grantee shall not be required to retain the same numerical designation or placement as the standard definition PEG Channel it replaces. Grantee shall not be required to relocate any existing high definition channels to make room for a high definition PEG Channel.

11.1.4.4 Grantee may implement high definition carriage of the high definition PEG Channel programming in any manner (including selection of compression technology, utilization of IP and other processing characteristics) that produces a signal quality for the Subscriber that is reasonably comparable to similar local broadcast high definition channels carried on the Cable System.

11.1.4.5 Grantee shall replace a second standard definition PEG Channel with a high definition PEG Channel within one hundred twenty (120) days of a prior written request from Metropolitan Government, provided, however, all of the programming being delivered by the second PEG Channel is in a high definition format and eighty percent (80%) of the channels on Grantee's Basic Service Tier are being delivered to Subscribers in high definition format.

11.1.4.6 Notwithstanding anything to the contrary in this Section 11.1.4, Grantee shall not be required to provide more than four (4) PEG channels on its Cable System. Further, Grantee shall be not be required to

delete or rearrange its existing channels to accommodate the carriage of Metropolitan Nashville's high definition PEG Channels.

11.1.4.7 Metropolitan Nashville acknowledges that high definition programming may require special viewer equipment and a subscription to advanced service tiers. By agreeing to make PEG Channel programming available in high definition format, Comcast shall not be required to provide free high definition equipment to its Subscribers, including complimentary municipal and educational accounts, nor modify its equipment or pricing policies in any manner. Further, Metropolitan Nashville acknowledges that every Subscriber may not be able to view high definition PEG Channel programming, may not be able to view such programming on every television set in the home, that additional costs may be involved in the reception of high definition programming, and that this may result in lost viewership to Metropolitan Nashville's PEG programming.

11.1.4.8 Grantee shall not be required to monitor or otherwise survey its Subscribers regarding their viewership of PEG Channel programming offered in high definition format.

11.1.4.9 Except as otherwise provided for above, Grantee shall not be responsible for the purchase, maintenance or repair of any equipment necessary for the production and delivery of high definition PEG programming by the Metropolitan Government or any designated entity to Grantee.

11.2. Management of PEG Channel Positions. Metropolitan Government may designate one (1) or more entities to manage the use of all or part of the PEG Channel Positions provided in Section 11.1, above.

11.2.1 Except to the extent permitted by federal law, Grantee shall not exercise

any editorial control over any PEG content on PEG Channels. Metropolitan Government shall be responsible for developing, implementing, interpreting, and enforcing rules for use of the PEG Channel Positions.

11.2.2 Metropolitan government agrees that PEG Channel Positions shall not be used to provide for-profit commercial services or programming. Metropolitan Government or any PEG access management designee may, however, authorize charges to pay for the direct costs of non-commercial services, such as fees for video class instruction or charges to recover the cost of PEG programmers' use of equipment, and may solicit and obtain donations and sponsorships to contribute to PEG access programming and operations and may cablecast sponsorship identifications. Such sponsorship identification shall not include any advertising materials or other information which is designed to promote the sale of any commercial product or service; any advertising message that promotes publicly declared candidates for elective public office or persons advocating any causes or endorsements; and lottery information or games of chance.

11.3 Grantee Use of Fallow Time. Because blank or under-utilized PEG Channel Positions are not in the public interest, in the event Metropolitan Government or other PEG access users elect not to fully program their Channel Position(s), Grantee may, upon prior written request to the Metropolitan Government given at least ninety (90) days before Grantee's proposed use of Channel Position, and upon the Metropolitan Government's prior written consent, such consent not to be unreasonably withheld, program unused time on those Channel Positions. Grantee's use of such Channel Positions is subject to reclamation by Metropolitan Government upon not less than sixty (60) days written notice.

11.4 Indemnification. Metropolitan Government and its PEG management designee, if any, shall require all public access users that furnish programming for airing on any of the public access Channel Positions to indemnify Grantee and the Metropolitan Government for any liability, loss or damage they may suffer as a result of the carriage of such public access user's programming on the System, including, but not limited to, i) violations of the intellectual property rights of third parties, ii) claims arising out of the content of programming shown on

any public access Channel Position, or iii) claims arising out of Metropolitan Government's rules for the administration of public access Channel Positions and programming. Such indemnification shall be agreed to in writing by the public access user as a condition for, and prior to, the airing of such programming.

11.5 PEG Origination Return Feed.

11.5.1 For the purpose of carrying PEG programming from its origination point to Grantee's Cable System, Grantee shall continue to provide dedicated fiber optic links between its Cable System head end and the following locations:

- i) Metro Southeast, located at 1417 Murfreesboro Road, Nashville, Tennessee 37219.
- ii) The Metro Courthouse located at One Public Square, Nashville, Tennessee 37201; and
- iii) The Metro Nashville Public Schools Main Office at 2601 Bransford Avenue, Nashville, Tennessee, 37204.

11.5.2 For the purpose of carrying PEG programming from its origination point to Grantee's Cable System, Grantee shall be required to provide bidirectional fiber optic links between its Cable System head end and the following locations:

- i) The Howard Office Building located at 700 Second Avenue South, Nashville, Tennessee 37210.
- ii) The Metropolitan Government PEG Studio at Nashville State Tech located at 120 White Bridge Road, P.E.G. TV Studio, Nashville, Tennessee 37209;

11.5.3 The links referenced in Sections 11.5.1 and 11.5.2 shall only be used for PEG channel programming purposes and shall include equipment (including, but not limited to, laser transmitters, modulators, and processors, drops, and wiring) so that each of the locations designated above can transmit PEG programming signals downstream over the Cable System to Subscribers, route such PEG programming signals to any PEG Channel Position, and otherwise control PEG

programming signals to allow for smooth breaks, transitions, and insertion of PEG programming material. Grantee shall not be responsible for the maintenance and replacement, if necessary, of any equipment associated with the operation of the fiber optic links. Grantee's cost of relocating such fiber connections to new locations, if requested to do so by the Metropolitan Government, shall be the responsibility of Metropolitan Government.

11.6. PEG Schedule.

11.6.1 Grantee shall cooperate with the Metropolitan Government in making the PEG schedule available to all Subscribers and to appropriate news sources, in the same manner as, but only to the extent that, Grantee does so with respect to all other programming on the System. Metropolitan Government and/or its designated PEG entity agrees to pay the reasonable cost, of including PEG programming schedule information in any EPG that Grantee controls. Grantee will give the Metropolitan Government an introduction to the EPG and shall not do anything to interfere with or prevent the Metropolitan Government's PEG Channel programming schedule from being made available to Subscribers via the EPG.

11.6.2 Grantee is not responsible for providing PEG programming scheduling information to independent, unaffiliated publishers, video channel or EPG providers, or for any decision by such an unaffiliated provider not to publish the PEG schedule in its EPG or program guide, provided, however, that Grantee will, upon request, provide Metropolitan Government and/or its designated PEG entity with any contact information it has concerning such unaffiliated EPG providers used on Grantee's System, and Grantee will not restrict the ability of Metropolitan Government and/or its designated PEG entity to deliver PEG programming scheduling information to such third-party EPG provider.

11.7 PEG Capital Support One-Time Grant. Grantee shall pay Metropolitan

Government a one-time PEG Capital Support Grant of One Hundred Thousand Dollars (\$100,000) to be paid within forty five (45) days of the Effective Date of this Agreement.

11.8 PEG Capital Support Annual Fee. Grantee shall pay Metropolitan Government or any PEG entity designated by it, an annual PEG Capital Support Fee in the amount of Two Hundred Thousand Dollars (\$200,000) per year ("PEG Capital Support Fee"). The PEG Capital Support Annual Fee shall be paid annually, with the Grantee making the first Two Hundred Thousand Dollar (\$200,000) payment within forty-five (45) days of the Effective Date, and each subsequent Two Hundred Thousand Dollar (\$200,000) payment thereafter on or before each anniversary of the Effective Date. The annual PEG Support Fee shall relieve the Grantee from any other PEG related costs over the life of this Franchise. In the event that the PEG Capital Support Annual Fee is not received by Metropolitan Government on or before the due date, the Grantee shall pay interest at the rate provided for in Tennessee Code Annotated Section 47-14-103(3) until the franchise fee payment is satisfied. The amounts outlined in Sections 11.7 and 11.8 identify the Grantee's maximum capital support obligations for PEG, and the Grantee's support shall not exceed the amounts outlined in these sections

11.9 Itemization of PEG Capital Support Fee. Grantee reserves the right, in a manner consistent with applicable law, to recover the PEG Capital Support Fee as a line item on its bills to Subscribers.

Section 12 - Courtesy Service

12.1 Digital Transport Adapters (DTAs). Grantee shall provide one thousand (1,000) DTAs located within Metropolitan Government facilities or schools, the location of which accounts shall be at the sole discretion of the Metropolitan Government in accordance with the following parameters:

- (i) Year One: For the first year of this agreement, the DTAs will be provided at no charge to the Metropolitan Government;
- (ii) Year Two: For year two, the Metropolitan Government will pay 33% of the commercial rate for each of the DTAs that the Metropolitan Government has;
- (iii) Year Three: For year three, the Metropolitan Government will pay 66% of the commercial rate for each of the DTAs that the Metropolitan Government has;